

SB 1443 (as to be amended):
de León, Corbett, Hill, Lara, Monning, Roth, Torres, Steinberg

Gift Ban and Gift Limit Reduction

Why the Changes are Needed:

The Political Reform Act (the “Act”) mandates the Commission to adjust the gift limit every odd-numbered year to reflect changes in inflation in accordance with increases in the Consumer Price Index (CPI). In 1990 the gift limit was set at \$250. Currently, the gift limit has increased to \$440. This may be perceived as too high a level, and is almost reaching the \$500 conflict of interest threshold set forth in the Act.

Additionally, there are certain gifts that, by their very nature, are unnecessary. The gifts, at a minimum, cause the perception of undue influence.

Current System for Adjusting Gift Limit and Accepting Gifts:

- Every odd-numbered year the Commission must adjust the gift limit to reflect changes in the CPI.
- Gift limits have bi-annually increased \$20-\$30 over the last decade, based on the CPI.
- Limits gifts given by lobbyists to \$10 per month.
- No restrictions on the types of gifts allowed to be received.

Problems with Current Definitions:

- Allows lobbyist employers to give up to the standard gift limit (currently \$440).
- The Act prohibits public officials from making, participating in or influencing any matter in which they have a financial interest (\$500 threshold). With CPI, soon the gift limit amount will go above the floor for a conflict, creating a confusing, legally absurd situation.
- The gift limit has arguably become too high (currently \$440). Allows any type of gift.

Solutions:

- Establish a limit of \$200 for the amount of permitted gifts and give FPPC limited authority to increase limits (odd numbered years).
 - Ban all gifts from lobbyists (eliminate restriction to \$10 per month).
 - Prohibit specified gifts to state officials and designated employees, including: tickets to professional concerts and other professional entertainment events/professional and specified amateur sporting events/theme parks/amusement parks, golf, spa, recreational trips and cash/cash equivalents.
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